

IN SENATE OF THE UNITED STATES.

APRIL 27, 1842.
Ordered to be printed.

Mr. EVANS submitted the following

REPORT :

The Committee on Finance, to which was referred the petition of Glasgow, Harrison, Boyd, & Co., praying that the charges made at the mint for refining imported bullion may be discontinued, report :

That they have obtained from the Director of the Mint at Philadelphia an opinion upon the policy of the measure requested in the memorial, which is herewith submitted. Concurring fully in the views submitted by that officer, they recommend the adoption of the following resolution :

Resolved, That it is not expedient to enact a law in accordance with the prayer of the petition.

MINT OF THE UNITED STATES, April 18, 1842.

SIR : I have the honor to acknowledge the receipt of your letter of the 14th instant, in which you send me a memorial from Messrs. Glasgow, Harrison, Boyd, & Co., and ask my opinion with regard to the object of their petition.

In the memorial complaint is made of the mint charge for parting gold and silver when these metals come combined, and it is suggested that if the process were performed at our mints "*gratis*, it would make it an object for merchants to make their shipments to this country instead of Europe."

Let me, in the first place, remark that the parting of gold and silver is not properly a mint operation. In the European mints this is required to be performed before the metal can be deposited for coinage, and it is done in private establishments. It is true that there is a laboratory for the purpose in the British mint, but the parting is done there by an individual even when for the Government, and at a charge greater than that made by us. In France the refining is done altogether in private establishments out of the mint. In the United States the amount of this kind of work is not sufficient for the support of such establishments, and hence it has become necessary to conduct these refining and parting processes at the mints themselves. It seems to me quite unjust, however, that the work should be done entirely at the public cost. Nothing can be more fair and liberal than our system of mint charges, and I think we could not vary from it with propriety. It is the only one by which all depositors can be put upon the same footing. If standard and ductile silver or gold be deposited with us, the whole of it is returned to the depositor in coins, the Government bearing the cost of the manufacture and of waste. But if the bullion be either above or below

standard, or be brittle, or if gold and silver be combined, the depositor is charged with the actual and necessary expense incurred in bringing the metals to standard, toughening them, or parting them.

To justify the amount of charge made for separating gold from silver, I present to you the following estimate, laid before the Secretary of the Treasury January 28, 1837, when the system of charges authorized by the act of the 18th of the same month was adopted.

Expense of separating gold and silver.

The day's work is on one hundred and fifty-four pounds of metal, containing about one hundred and twenty-three pounds of silver and thirty-one of gold combined. The operation of parting them, which is very complicated, includes the following items of expense:

250 pounds nitric acid, at 12½ cents per pound	-	-	\$31 25
15 bushels charcoal	-	-	2 25
1 bushel salt	-	-	63
30 pounds sulphuric acid, at 4 cents per pound	-	-	1 20
40 pounds zinc, at 6 cents per pound	-	-	2 40
1 large black lead pot	-	-	2 80
1 small black lead pot	-	-	1 05
5 days' work	-	-	8 50
Whole cost			<u>50 08</u>

Although in the operations we take care, if practicable, to have about twenty per cent. of gold in the metal dissolved, yet the average proportion of gold in the *deposite* is not so much as one per cent.; and as the charge is made on the weight of the deposite, we may consider \$50 08 as the expense of separating one hundred and twenty-four pounds, or one thousand four hundred and eighty-eight ounces. This gives the expense for one ounce about 3.4 cents. But when copper is contained in the deposite, as is often the case, the quantity of nitric acid consumed is much increased, for copper requires three times as much acid to dissolve it as silver. I do not consider, therefore, that the parting ought to be done at a less charge than four cents per ounce, which corresponds almost exactly with the old charge of forty-five cents per pound.

In the Paris refineries the charge is three francs twenty-nine centimes per kilogramme, corresponding to two cents per ounce. This greater economy is due to two circumstances, the large amount of work done, and the different process employed. In these works the silver is dissolved by sulphuric acid, and not as with us, by nitric acid. Now, the weight of sulphuric acid requisite is less by about one quarter, and the cost per pound is less by two thirds. Unhappily, we cannot pursue this process, and for two reasons: First, because the expense of the apparatus is too great. Large vessels of platina are required, and other expensive apparatus. The platina vessels alone cost the British mint £3,000 sterling. A second reason is, that, to use the words of Dr. Ure, "refining by sulphuric acid is always a nuisance to a neighborhood," so that the laboratory could not be erected with propriety in a city mint.

The cost *per cent.* of parting gold from silver depends in a great measure upon the quantity of gold present. When this is small it may reach two

per cent., as stated by the memorialists. If, then, we suppose it sent to the Paris refineries, which are the most economical, the saving would be one per cent. Would this difference change the course of trade? I should judge not. Our country may be said to be on the road from Spanish America to Europe. Does not our proximity to the mines give us an advantage greater than is sufficient to countervail the increased cost of parting the mixed metals? or, in other words, would not the cost of freight, insurance, and other charges of transportation, reach to one per cent. of the value of the metals?

I have confined my remarks to the case mentioned by the memorialists; but the action of Congress, if judged expedient, could not be limited to this case. All the other mint charges would have an equal claim to be abolished, and thus the whole system pursued in the United States mints be changed. The expense to the Government would be very considerable, would be unjust, and, in my judgment, without any equivalent advantage.

Very respectfully, your faithful servant,

R. M. PATTERSON.

Hon. GEORGE EVANS,

Chairman Com. on Finance, U. S. Senate.

P. S. I find that I have overlooked the request made at the close of your letter, that I would inform the committee "whether there are any charges, and to what extent, for coining gold and silver belonging to individuals." I now supply the omission, by annexing a copy of the 18th section of the mint act of January 18, 1837, and of the mint charges established under it, and approved by the Secretary of the Treasury on the 1st of February following.

Section 18th of the mint act.

"*Be it enacted*, That the only subjects of charge by the mint to the depositor shall be the following: For refining, when the bullion is below standard; for toughening, when metals are contained in it which render it unfit for coinage; for copper used for alloy, when the bullion is above standard; for silver introduced into the alloy of gold; and for separating the gold and silver, when these metals exist together in the bullion; and that the rate of these charges shall be fixed, from time to time, by the director, with the concurrence of the Secretary of the Treasury, so as not to exceed, in their judgment, the actual expense to the mint of the materials and labor employed in each of the cases aforementioned; and that the amount received from these charges, shall be accounted for and appropriated for defraying the contingent expenses of the mint."

MINT CHARGES.

1st. On deposits of silver.

1st. When the silver requires refining or toughening, by being passed through the *test*, there shall be a charge of one third of a cent per ounce on the metal subjected to the operation.

2d. When the silver is of a quality fit for coinage, except that it is below standard, the charge for raising it to standard shall be one third of a cent per ounce on so much of the metal as must be refined, in order that being mixed with the remainder the whole may be brought to standard.

3d. When the silver is above standard, there shall be a charge of three cents per ounce on the copper used for alloy, in order to reduce it to standard.

4th. When the silver contains gold, there shall be a charge of four cents per ounce on the deposit for the separation of the gold.

2d. On deposits of gold.

5th. When the gold requires refining or toughening, the charge of this operation shall be one cent per ounce on the deposit.

6th. When the gold is above standard, there shall be a charge of three cents per ounce on the copper introduced, and of one hundred and twenty-nine cents per ounce on the silver; but the silver charged for, shall, in no case, exceed one quarter of the whole alloy.

7th. When the gold contains silver, there shall be a charge of twelve cents per ounce on the deposit for the separation of the silver.

3d. Limit to the separating of gold and silver.

8th. Neither gold nor silver shall be separated for the benefit of the depositor, when the net product of the operation, estimated as per the above charges, shall be less than five dollars.